

SENATE NO. 1099

AN ACT TO COMBAT TAX AND INSURANCE FRAUD

*Be it enacted by the Senate and House of Representatives in General Court assembled,
And by the authority of the same, as follows:*

1 SECTION 1. Chapter 62B of the General Laws, as appearing in the 2004 Official Edition, is
2 hereby amended by inserting after section 12A the following section: -

3 Section 12B. Failure to withhold taxes on wages; stop work orders; penalties; liens; actions
4 brought by losing bidders

5 (1) Whenever the commissioner or his designee determines that an employer who is required to
6 withhold and pay over taxes on wages as provided for by this chapter has failed to withhold
7 and/or pay over such taxes, a stop work order shall be served on said employer, requiring the
8 cessation of all business operations. Such order shall take effect immediately upon its service
9 upon said employer, unless such employer provides evidence, satisfactory to the commissioner
10 or his designee, of having paid any amounts due as a result of having failed to withhold and/or
11 pay over taxes on wages and pays a civil penalty into the commonwealth's general funds in the
12 amount of one hundred dollars per day for each day such employer was not in compliance with
13 this chapter counting the first date of the employer's non-compliance as the first day and date of
14 payment of the penalty herein provided and of production of evidence of payment of all
15 amounts due as a result of having failed to withhold and/or pay over taxes as the final day. The

16 provision of such civil penalties shall not have any effect on any other penalties or remedies that
17 may be available under any other provision of law.

18 (2) Any employer who is aggrieved by the imposition of a stop work order and the imposition of
19 a civil penalty shall have ten days from the date of its service to appeal such order or penalty.

20 Any employer who timely files such appeal shall be granted a hearing by the commissioner or
21 his designee within fourteen days of receipt of appeal. The stop work order shall not be in effect
22 during the pendency of any timely filed appeal. The commissioner shall schedule a hearing on
23 any appeal within seven days of the filing of any appeal. The commissioner shall issue a
24 decision on any appeal within seven days of the date of the hearing. Any stop work order and
25 monetary penalty shall be rescinded if the commissioner or his designee finds at the hearing that
26 the employer has at all times been in compliance with this chapter. If the commissioner or his
27 designee finds at the hearing that the employer did or has not withheld and/or paid over taxes
28 from wages as required by this chapter, the stop work order shall be effective immediately on
29 the conclusion of the hearing and shall remain in effect until such time as the employer provides
30 evidence, satisfactory to the commissioner or his designees, of having made the necessary
31 payment of all amounts due as a result of having failed to withhold and/or pay over taxes and
32 pays a civil penalty into the commonwealth's general funds in the amount of two hundred and
33 fifty dollars per day for each day such employer was not in compliance with this chapter,
34 counting the first date of the employer's non-compliance as the first day and the date of
35 payment of the penalty herein provided and of production of evidence of payment of all
36 amounts due as a result of having failed to withhold taxes as the final day.

37 A stop work order and any monetary penalties assessed by the commissioner after a hearing as
38 authorized in this section shall be final at the expiration of thirty days if no action for judicial

39 review of such decision is commenced pursuant to chapter thirty A. Any person who institutes
40 proceedings for judicial review of the final assessment of a penalty by the commissioner
41 pursuant to this section, shall place the final amount of the assessment in an interest-bearing
42 escrow account in the custody of the clerk/magistrate of the reviewing court. The establishment
43 of such interest-bearing account shall be a condition precedent to the jurisdiction of the
44 reviewing court unless the party demonstrates in a preliminary hearing held within twenty days
45 of the filing of the complaint either the presence of a substantial question for review by the court
46 or an inability to pay. Upon such a demonstration, the court may grant an extension or waiver of
47 the interest-bearing escrow account or may require, in lieu of such account, the posting of a
48 bond payable directly to the Commonwealth in the amount of one hundred and twenty-five per
49 cent of the assessed penalty. If, after judicial review, in the case where the requirement for an
50 escrow account has been waived, and in the case where a bond has been posted, the court
51 affirms the penalty in whole or in part, the penalty assessed by the commissioner shall be paid
52 with interest at the rate set forth in section six C of chapter two hundred and thirty-one. If, after
53 such review in a case where an interest-bearing escrow account has been established, the court
54 affirms the penalty in whole or in part, the penalty shall be paid with accumulated interest from
55 such account. If the court sets aside the penalty the amount placed in such account or the
56 amount posted for such bond shall be repaid together with any interest thereon.

57 (3) Any law enforcement agency in the commonwealth shall, at the request of the
58 commissioner, render any assistance necessary to carry out the provisions of this section,
59 including but not limited to preventing any employee or other persons from remaining at a place
60 of employment or job site after a stop work order has taken effect.

61 (4) Any employee affected by a stop work order pursuant to this section shall be paid at his or

62 her regular rate of pay, but in no event less than the minimum wage as required by state or
63 federal wage and hour laws, whichever is higher, for the first ten days lost pursuant to such
64 order and any time lost pursuant to this section not exceeding ten days shall be considered time
65 worked under the provisions of chapter one hundred and forty-nine.

66 (5) Every state or local licensing agency shall withhold the issuance or renewal of a license or
67 permit to operate a business or to construct buildings in the commonwealth for any applicant
68 who has failed to withhold taxes from wages as required by this chapter, or who is subject to a
69 stop work order. Any employer who is subject to a stop work order shall notify any state or
70 local licensing agency with whom the employer is dealing of the existence of any stop work
71 order. If an employer who is subject to a stop work order fails to so notify the agency and is
72 issued a license or permit, that license or permit shall be deemed void.

73 (6) Neither the commonwealth nor any of its political subdivisions shall enter into any contract
74 for the performance of public work with an employer who is not in compliance with his
75 obligation to withhold and/or pay over taxes from wages as required by this chapter. Any
76 employer who is seeking in any manner a contract for the performance of work from the
77 commonwealth or any of its political subdivisions shall notify the commonwealth or political
78 subdivision of the issuance of any stop work order under this chapter, regardless of whether the
79 stop work order remains in effect. If an employer who is subject to a stop work order that
80 remains in effect fails to so notify the commonwealth or political subdivision and is awarded a
81 contract, that contract shall be deemed void.

82 (7) In addition to being subject to the civil penalties herein provided, an employer who fails to
83 withhold taxes on wages as required by this chapter or knowingly misclassifies employees, to
84 avoid withholding taxes on wages, will be immediately debarred from bidding or participating

85 in any state or municipal funded contracts for a period of three years and shall when applicable
86 be subject to penalties provided for in section fourteen.

87 (8) The fact of issuance of workers compensation insurance to an individual shall not be
88 considered in making a determination of whether the individual is an employee for purposes of
89 section 1 of this chapter, or in making the determination called for by subsection 1 above of
90 whether an employer has failed to withhold and/or pay over taxes on wages as required by this
91 chapter, or in determining whether to serve a stop work order.

92 (9) An employer's failure to comply with his reporting obligations under chapter 62E, section 2,
93 with respect to a newly hired employee or entering into an agreement with a contractor for the
94 performance of services shall constitute prima facie evidence of his failure to withhold and/or
95 pay over taxes on wages as required by this chapter, and such failure to comply with chapter
96 62E, section 2 shall be sufficient to serve a stop work order.

97 (10) The commissioner or his designee shall possess the power to issue a subpoena to any
98 employer commanding the production within seven days of all payroll and any other business
99 records, or copies thereof, that may be relevant to the determination of whether the employer is
100 in compliance with his obligations under this chapter.

101 (14) The Department of Revenue shall provide the Secretary of Labor and the commissioners
102 of the Department of Industrial Accidents and the Division of Unemployment Assistance or
103 their designees full and immediate access to employer reports and notices submitted in
104 accordance with chapter 62E, section 2 with respect to newly hired employees or entering into
105 agreements with contractors for the performance of services

106 SECTION 2. Chapter 151A of the General Laws, as appearing in the 2004 Official Edition, is
107 hereby amended by inserting after section 47B the following section: -

108 Section 41B. Failure to contribute to the Unemployment Compensation Fund; stop work orders;
109 penalties; liens; actions brought by losing bidders

110 (1) Whenever the Secretary of Labor, the commissioner or the designee of either determines that
111 an employer who is required to contribute to the Unemployment Compensation Fund as
112 provided for by this chapter has failed to do so, a stop work order shall be served on said
113 employer, requiring the cessation of all business operations. Such order shall take effect
114 immediately upon its service upon said employer, unless such employer provides evidence,
115 satisfactory to the commissioner or his designee, of having made full payment of all required
116 contributions and pays a civil penalty into the Unemployment Compensation Fund in the
117 amount of one hundred dollars per day for each day such employer was not in compliance with
118 this chapter counting the first date of the employer's non-compliance as the first day and date of
119 payment of the penalty herein provided and of production of evidence of full payment of all
120 required contributions as the final day. The provision of such civil penalties shall not have any
121 effect on any other penalties or remedies that may be available under any other provision of law.

122 (2) Any employer who is aggrieved by the imposition of a stop work order and the imposition of
123 a civil penalty shall have ten days from the date of its service to appeal such order or penalty.

124 Any employer who timely files such appeal shall be granted a hearing by the commissioner or
125 his designee within fourteen days of receipt of appeal. The stop work order shall not be in effect
126 during the pendency of any timely filed appeal. The commissioner shall schedule a hearing on
127 any appeal within seven days of the filing of any appeal. The commissioner shall issue a
128 decision on any appeal within seven days of the date of the hearing. Any stop work order and
129 monetary penalty shall be rescinded if the commissioner or his designee finds at the hearing that
130 the employer has at all times been in compliance with this chapter. If the commissioner or his

131 designee finds at the hearing that the employer did or has not contributed to the Unemployment
132 Compensation Fund as required by this chapter, the stop work order shall be effective
133 immediately on the conclusion of the hearing and shall remain in effect until such time as the
134 employer provides evidence, satisfactory to the commissioner or his designees, of having made
135 the necessary contributions to the Unemployment Compensation Fund and pays a civil penalty
136 into the Fund in the amount of two hundred and fifty dollars per day for each day such employer
137 was not in compliance with this chapter, counting the first date of the employer's non-
138 compliance as the first day and the date of payment of the penalty herein provided and of
139 production of evidence of full payment of all required contributions as the final day.

140 A stop work order and any monetary penalties assessed by the commissioner after a hearing as
141 authorized in this section shall be final at the expiration of thirty days if no action for judicial
142 review of such decision is commenced pursuant to chapter thirty A. Any person who institutes
143 proceedings for judicial review of the final assessment of a penalty by the commissioner
144 pursuant to this section, shall place the final amount of the assessment in an interest-bearing
145 escrow account in the custody of the clerk/magistrate of the reviewing court. The establishment
146 of such interest-bearing account shall be a condition precedent to the jurisdiction of the
147 reviewing court unless the party demonstrates in a preliminary hearing held within twenty days
148 of the filing of the complaint either the presence of a substantial question for review by the court
149 or an inability to pay. Upon such a demonstration, the court may grant an extension or waiver of
150 the interest-bearing escrow account or may require, in lieu of such account, the posting of a
151 bond payable directly to the Unemployment Compensation Fund in the amount of one hundred
152 and twenty-five per cent of the assessed penalty. If, after judicial review, in the case where the
153 requirement for an escrow account has been waived, and in the case where a bond has been

154 posted, the court affirms the penalty in whole or in part, the penalty assessed by the
155 commissioner shall be paid with interest at the rate set forth in section six C of chapter two
156 hundred and thirty-one. If, after such review in a case where an interest-bearing escrow account
157 has been established, the court affirms the penalty in whole or in part, the penalty shall be paid
158 with accumulated interest from such account. If the court sets aside the penalty the amount
159 placed in such account or the amount posted for such bond shall be repaid together with any
160 interest thereon.

161 (3) Any law enforcement agency in the commonwealth shall, at the request of the
162 commissioner, render any assistance necessary to carry out the provisions of this section,
163 including but not limited to preventing any employee or other persons from remaining at a place
164 of employment or job site after a stop work order has taken effect.

165 (4) Any employee affected by a stop work order pursuant to this section shall be paid at his or
166 her regular rate of pay, but in no event less than the minimum wage as required by state or
167 federal wage and hour laws, whichever is higher, for the first ten days lost pursuant to such
168 order and any time lost pursuant to this section not exceeding ten days shall be considered time
169 worked under the provisions of chapter one hundred and forty-nine.

170 (5) In addition to being subject to the civil penalties herein provided, an employer who fails to
171 contribute to the Unemployment Trust Fund as required by this chapter shall be punished by a
172 fine payable into the commonwealth's general funds of not more than three thousand five
173 hundred dollars or by imprisonment for not more than one year, or both. Failure of an employer,
174 after imposition of such fine or imprisonment, to make the required contributions to the
175 Unemployment Trust Fund under this chapter after notice by the department to do so shall, as to
176 each notice, be deemed a further violation in respect thereof, subject to an additional fine and

177 imprisonment. If such employer is a corporation, the president or treasurer or both shall be
178 liable for said punishment. The commissioner or his designee shall have power to bring
179 complaints against employers, including the president and treasurer of a corporation which is an
180 employer, for violations of the provisions of this subsection, and to prosecute the same, and for
181 such purpose may deputize one or more employees of the department to make and prosecute
182 complaints. Complaints under this subsection shall be brought in the district court in which the
183 principal place of business of such employer is situated, or in the district court in whose district
184 such president or treasurer of a corporation resides.

185 (6) Every state or local licensing agency shall withhold the issuance or renewal of a license or
186 permit to operate a business or to construct buildings in the commonwealth for any applicant
187 who has failed to contribute to the Unemployment Compensation Fund as required by this
188 chapter, or who is subject to a stop work order. Any employer who is subject to a stop work
189 order shall notify any state or local licensing agency with whom the employer is dealing of the
190 existence of any stop work order. If an employer who is subject to a stop work order fails to so
191 notify the agency and is issued a license or permit, that license or permit shall be deemed void.

192 (7) Neither the commonwealth nor any of its political subdivisions shall enter into any contract
193 for the performance of public work with an employer who is not in compliance with its
194 obligation to contribute to the Unemployment Compensation Fund as required by this chapter.
195 Any employer who is seeking in any manner a contract for the performance of work from the
196 commonwealth or any of its political subdivisions shall notify the commonwealth or political
197 subdivision of the issuance of any stop work order under this chapter, regardless of whether the
198 stop work order remains in effect. If an employer who is subject to a stop work order that
199 remains in effect fails to so notify the commonwealth or political subdivision and is awarded a

200 contract, that contract shall be deemed void.

201 (8) Any judgments obtained by the department requiring employer contributions or other
202 payments into the Unemployment Compensation Fund, and any penalties due pursuant to the
203 service of a stop work order under this section shall, until collected, constitute a lien upon the
204 entire interest of the employer, legal or equitable, in any property, real or personal, tangible or
205 intangible; provided, however, that such lien shall be subordinate to claims for unpaid wages
206 and any prior recorded liens; and provided, further, that no lien created by this section shall be
207 valid against a subsequent purchaser or mortgagee in good faith and for value of real or personal
208 property from or of such employer, or against a subsequent attaching creditor, unless, with
209 respect to real estate of the employer, a notice of such lien is recorded in the registry of deeds
210 for the county where such real estate is located, and, with respect to personal property of the
211 employer, said notice is recorded with the clerk of the city or town where such personal
212 property is located. Such lien shall be considered a tax due and owing to the commonwealth,
213 which may be collected through the procedures provided for by chapter 62C.

214 (9)(a) Any person or firm that loses a competitive bid for a contract including but not limited to
215 construction, repair, remodeling, alteration, conversion, modernization, replacement or
216 renovation of a building, roadway or structure may bring an action for damages against another
217 person who is awarded the contract for which the bid was made, if the other person was
218 awarded the contract because of cost advantages achieved by violating the provisions of
219 sections 13 and 14 of this chapter or by the deliberate misclassification of employees for the
220 purpose of avoiding contributions to the Unemployment Compensation Fund.

221 (b) A person or firm bringing an action under this section must establish a violation of said
222 subsection or chapters by a preponderance of the evidence. Upon establishing that the violation

223 occurred, the person bringing the action shall recover, as liquidated damages, ten percent of the
224 total amount bid on the contract.

225 (c) An action under this subsection shall be commenced within one year from the date when the
226 contract is awarded.

227 (d) No plaintiff shall be allowed to recover any amounts under this subsection if said plaintiff
228 was in violation of sections 13 and 14 of this chapter at the time of making the bid on the
229 contract.

230 (e) In any action under this section, the prevailing plaintiff shall be entitled to an award of
231 reasonable attorneys fees and costs.

232 (10) In addition to being subject to the civil penalties herein provided, an employer who fails to
233 contribute to the Unemployment Compensation Fund as required by this chapter or knowingly
234 misclassifies employees, to avoid contributions to the Fund, will be immediately debarred from
235 bidding or participating in any state or municipal funded contracts for a period of three years
236 and shall when applicable be subject to penalties provided for in section fourteen.

237 (11) The fact of issuance of workers compensation insurance to an individual shall not be
238 considered in making a determination of whether the individual is performing service in
239 employment for purposes of section 2 of this chapter, or in making the determination called for
240 by subsection 1 above of whether an employer has failed to contribute to the Unemployment
241 Compensation Fund as required by this chapter, or in determining whether to serve a stop work
242 order.

243 (12) An employer's failure to comply with his reporting obligations under chapter 62E, section
244 2, with respect to a newly hired employee or entering into an agreement with a contractor for
245 the performance of services shall constitute prima facie evidence of his failure to contribute to

246 the Unemployment Compensation Fund as required by this chapter, and such failure to comply
247 with chapter 62E, section 2 shall be sufficient to serve a stop work order.

248 (13) The Secretary of Labor, the commissioner or the designee of either shall possess the power
249 to issue a subpoena to any employer commanding the production within seven days of all
250 payroll and any other business records, or copies thereof, that may be relevant to the
251 determination of whether the employer is in compliance with his obligations under this chapter.

252 (14) The Department of Revenue shall provide the commissioner or his designee full and
253 immediate access to employer reports and notices submitted in accordance with chapter 62E,
254 section 2 with respect to newly hired employees or entering into agreements with contractors for
255 the performance of services .

256 (15) The Secretary of Labor, the commissioner or the designee of either shall refer all
257 determinations of failures to comply with the obligations of this chapter to the Department of
258 Revenue and to the Attorney General for additional enforcement action.

259 SECTION 3. Section 25C of chapter 152 of the General Laws, as appearing in the 2004 Official
260 Edition, is hereby amended by striking out subsection (1) and inserting in place thereof the
261 following subsection: - “(1)Whenever the Secretary of Labor, the commissioner or the designee
262 of either determines that an employer who is required to provide for the payment to his
263 employees of the compensation provided for by this chapter has failed to do so, a stop work
264 order shall be served on said employer, requiring the cessation of all business operations. Such
265 order shall take effect immediately upon its service upon said employer, unless such employer
266 provides evidence, satisfactory to the commissioner or his designee, of having secured any
267 necessary insurance or self-insurance and pays a civil penalty into the private employer trust
268 fund in the amount of one hundred dollars per day for each day such employer was not in

269 compliance with this chapter counting the first date of the employer's non-compliance as the
270 first day and date of payment of the penalty herein provided and of production of evidence of
271 insurance or self-insurance as the final day. The provision of such civil penalties shall not have
272 any effect on any other penalties or remedies that may be available under any other provision of
273 law."

274 SECTION 4. Subsection (2) of said section 25C of chapter 152 of the General Laws, as so
275 appearing in, is hereby further amended by striking out the first paragraph and inserting in place
276 thereof the following paragraph: - "Any employer who is aggrieved by the imposition of a stop
277 work order and the imposition of a civil penalty shall have ten days from the date of its service
278 to appeal such order or penalty. Any employer who timely files such appeal shall be granted a
279 hearing by the commissioner or his designee within fourteen days of receipt of appeal. The stop
280 work order shall not be in effect during the pendency of any timely filed appeal. The
281 commissioner shall schedule a hearing on any appeal within seven days of the filing of any
282 appeal. The commissioner shall issue a decision on any appeal within seven days of the date of
283 the hearing. Any stop work order and monetary penalty shall be rescinded if the commissioner
284 or his designee finds at the hearing that the employer has at all times been in compliance with
285 this chapter. If the commissioner or his designee finds at the hearing that the employer did or
286 has not provided for all insurance or self-insurance required by this chapter, the stop work order
287 shall be effective immediately on the conclusion of the hearing and shall remain in effect until
288 such time as the employer provides evidence, satisfactory to the commissioner or his designees,
289 of having secured any necessary insurance or self-insurance and pays a civil penalty into the
290 private employer trust fund in the amount of two hundred and fifty dollars per day for each day
291 such employer was not in compliance with this chapter, counting the first date of the employer's

292 non-compliance as the first day and the date of payment of the penalty herein provided and of
293 production of evidence of insurance or self-insurance as the final day.”

294 SECTION 5. Said section 25C of chapter 152 of the General Laws, as so appearing in, is
295 hereby further amended by inserting after the words “shall be paid”, in line 68, and the
296 following words: - “at his or her regular rate of pay, but in no event less than the minimum
297 wage as required by state or federal wage and hour laws, whichever is higher,”.

298 SECTION 6. Said section 25C of chapter 152 of the General Laws, as so appearing in, is hereby
299 further amended by inserting after the word “fine”, in line 74, and the following words: -
300 “payable into the Commonwealth’s general funds”.

301 SECTION 7. Said section 25C of chapter 152 of the General Laws, as so appearing in, is hereby
302 further amended by striking the words “one thousand five hundred” in inserting in place thereof
303 the following words: - “three hundred five thousand.”

304 SECTION 8. Said section 25C of chapter 152 of the General Laws, as so appearing in, is hereby
305 further amended by striking subsection (6) and inserting in place thereof the following
306 subsection: - “(6) Every state or local licensing agency shall withhold the issuance or renewal of
307 a license or permit to operate a business or to construct buildings in the commonwealth for any
308 applicant who has not produced acceptable evidence of compliance with the insurance coverage
309 required by this chapter by changing the period at the end of the provision to a comma, and
310 adding the following: “or who is subject to a stop work order. Any employer who is subject to a
311 stop work order shall notify any state or local licensing agency with whom the employer is
312 dealing of the existence of any stop work order. If an employer who is subject to a stop work
313 order fails to so notify the agency and is issued a license or permit, that license or permit shall
314 be deemed void.”

315 SECTION 9. Said section 25C of chapter 152 of the General Laws, as so appearing in, is hereby
316 further amended by striking out subsection (7) and inserting in place thereof the following
317 subsection: - (7) Neither the commonwealth nor any of its political subdivisions shall enter into
318 any contract for the performance of public work until acceptable evidence of compliance with
319 the insurance requirements of this chapter have been presented to the contracting authority. Any
320 employer who is seeking in any manner a contract for the performance of work from the
321 commonwealth or any of its political subdivisions shall notify the commonwealth or political
322 subdivision of the issuance of any stop work order under this chapter, regardless of whether the
323 stop work order remains in effect. If an employer who is subject to a stop work order that
324 remains in effect fails to so notify the commonwealth or political subdivision and is awarded a
325 contract, that contract shall be deemed void.

326 SECTION 10. Subsection (8) of said section 25C of chapter 152 of the General Laws, as so
327 appearing in, is hereby further amended by adding at the end thereof the following sentence: -
328 “Such lien shall be considered a tax due and owing to the commonwealth, which may be
329 collected through the procedures provided for by chapter 62C.”

330 SECTION 11. Said section 25C of chapter 152 of the General Laws, as so appearing in, is
331 hereby further amended by striking out, in lines 129 and 130, the words: - “or fifteen thousand
332 dollars, whichever is lesser.”

333 SECTION 12. Subsection (9) of said section 25C of chapter 152 of the General Laws, as so
334 appearing in, is hereby further amended by striking out paragraph (e) and inserting in place
335 thereof the following paragraph: - (e) In any action under this section, the prevailing plaintiff
336 shall be entitled to an award of reasonable attorneys fees and costs.

337 SECTION 13. Said section 25C of chapter 152 of the General Laws, as so appearing in, is
338 hereby further amended by inserting the following subsections: -

339 (11) An employer's compliance with his obligation to provide for the payment to his employees
340 of the compensation provided for by this chapter shall not be excused by the fact of the issuance
341 of workers compensation insurance to any individual, and the fact of issuance of such insurance
342 shall not be considered in making a determination of whether the individual is an employee for
343 purposes of chapter 149, section 148B, or in making the determination called for by subsection
344 1 above of whether an employer has failed to provide for the payment to his employees of the
345 compensation provided for by this chapter, or in determining whether to serve a stop work
346 order.

347 (12) An employer's failure to comply with his reporting obligations under chapter 62E, section
348 2, with respect to a newly hired employee or entering into an agreement with a contractor for
349 the performance of services shall constitute prima facie evidence of his failure to comply with
350 his obligation to provide for the payment to his employees of the compensation provided for by
351 this chapter, and such failure to comply with chapter 62E, section 2 shall be sufficient to serve a
352 stop work order.

353 (13) The Secretary of Labor, the commissioner or the designee of either shall possess the power
354 to issue a subpoena to any employer commanding the production within seven days of all
355 payroll and any other business records, or copies thereof, that may be relevant to the
356 determination of whether the employer is in compliance with his obligations under this chapter.

357 (14) The Department of Revenue shall provide the commissioner or his designee full and
358 immediate access to employer reports and notices submitted in accordance with chapter 62E,

359 section 2 with respect to newly hired employees or entering into agreements with contractors for
360 the performance of services .

361 (15) The Secretary of Labor, the commissioner or the designee of either shall refer all
362 determinations of failures to comply with the obligations of this chapter to the Department of
363 Revenue and to the Attorney General for additional enforcement action.

364